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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

26 February 1952

SUBJECT: NIE-35/1: PROBABLE DEVELOPMENTS IN INDOCHINA
THROUGH MID-1952

THE PROBLEM

To estimate probable developments in Indochina through mid-1952 with particular emphasis on probable Chinese Communist courses of action in that area.

CONCLUSIONS

1. We believe that the French will continue their war effort in Indochina, but at the same time, while insisting upon the protection of French interests, will attempt to limit their commitments there by demanding additional US financial assistance and by seeking commitments for US-UK military support in the defense of Indochina.

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2. The present critical financial situation of France is causing the French Government increasing concern over France's ability to maintain its position in Indochina and to support simultaneously its presently projected military effort in Europe. We believe that the reflections of this concern in Vietnam will give rise to misgivings regarding France's intentions toward Indochina and will accordingly have an adverse effect upon Vietnamese morale. We believe that this concern will not affect the French effort in Indochina during the period of this estimate, but may at a later date adversely influence France's will to continue resistance in Indochina.

3. Independent of operations in Korea, the Chinese Communists have the capability to commit and logistically support approximately 150,000 troops in Indochina. This force could probably cause the Franco-Vietnamese forces to evacuate Tonkin before effective resistance could be brought to bear.

4. We believe, however, that the Chinese Communists will not intervene in force in Indochina during the period of this estimate.

5. We believe that the Chinese Communists will gradually expand the scale and nature of their present assistance to the Viet

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Minh and may in addition introduce Chinese Communist "volunteer" troops in small numbers. We believe that in pursuit of this policy they will stop short of any degree of assistance which they estimate might provoke major Western retaliatory action against the mainland of China.

6. The probable outlook through mid-1952 in Indochina is one of continued military stalemate. We foresee some small territorial gains by the Viet Minh, but no major victory on either side during the period of this estimate.

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DISCUSSION

THE CURRENT SITUATION

6. Since the publication of NIE-35: "Probable Developments in Indochina During the Remainder of 1951" dated 7 August 1951, the French extended their Red River delta perimeter around Hanoi and Haiphong westward to Hoa Binh, but heavy Viet Minh attacks over a period of two months coupled with harassing action by Viet Minh units which had infiltrated the Delta, have resulted in French withdrawal from the Hoa Binh sector. (See Map #1.) In the Hanoi-Haiphong delta area, 115,000 Franco-Vietnamese regular troops currently confront an estimated 90,000 Viet Minh regular troops. Elsewhere in Indochina, guerrilla-type warfare continues and the Viet Minh still control northern Tonkin, major portions of the Annam coast and parts of Cochinchina, Cambodia, and Laos. (See Map #2.)

7. There has been a great improvement in the vigor, coordination, and effectiveness of recent Viet Minh attacks along the French perimeter in Tonkin. The Viet Minh have mounted a sustained frontal attack in the western delta area, and elsewhere

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in the delta have infiltrated one division and major elements of another behind the Franco-Vietnamese positions in the central and southern parts of the delta where they are now conducting harassing operations and pose a threat to the Hanoi-Haiphong line of communications. There has been a noticeable increase in Viet Minh antiaircraft capability in recent months. Although the Viet Minh have suffered heavy casualties, they continue to attack and have forced the French to commit almost all of their Tonkin reserves to the operations along the western edge of the delta and against Viet Minh units which have infiltrated elsewhere.

8. This increased capability reflects a considerable increase in Chinese Communist advisory, training, and logistic assistance to the Viet Minh. While there is no conclusive evidence that Chinese personnel, either in units or as individuals, are serving with Viet Minh combat units, there are an estimated 15,000 Communist Chinese with the Viet Minh serving in technical, advisory and garrison capacities. There has been a continuing improvement of transportation routes and facilities from South China into Indochina. Chinese Communist logistic assistance to the Viet Minh via these routes is at an all time high, while stockpiles on both sides of the border are believed to be in excess of Viet Minh requirements for present operations.

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9. Although French losses have been heavy, the combat effectiveness of the French forces remains high. The combat effectiveness of the Associated States' forces is for the most part not yet adequate to fit them for independent combat operations. These forces are primarily performing static defense roles, but some units have conducted themselves creditably with the French in offensive operations. US MDAP aid has been of critical importance to the regular French forces during recent operations. Although the attrition rate in French equipment is high, MDAP logistic assistance is compensating for these losses.

10. There has been little significant change in the political situation within Vietnam, the most important of the Associated States, since the publication of NIE-35, and the factors discussed in NIE-35 which limit the development of a strong Vietnamese government still apply. The death of General de Lattre has had an adverse effect upon Vietnamese morale as have the suspicions of the Vietnamese that the French may be weakening in their determination and ability to defend Indochina.

11. We believe that the spirits of the Viet Minh leaders have been raised by the recent death of General de Lattre, the expanded scale of Chinese Communist assistance, the debilitating

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effect which the sustained Viet Minh offensive has had upon the French, the reoccupation of Hoa Binh by the Viet Minh and their discernment of a weakening Franco-Vietnamese will to resist. The consolidation of Communist control within the Viet Minh area continues and has effectively countered internal opposition. The food shortage is being alleviated by rice gained from within the French perimeter. There is no evidence of serious friction between the Viet Minh and the Chinese Communists.

VIET MINH AND FRANCO-VIETNAMESE CAPABILITIES AND PROBABLE COURSES OF ACTION

12. We believe that the Viet Minh will probably be able to continue to infiltrate the French lines in Tonkin, but will be unable to achieve a decisive victory during the period of this estimate. However, the over-all combat effectiveness of the Viet Minh will almost certainly continue to improve and the Viet Minh will probably be able to launch a series of harassing attacks on French positions in Tonkin. Elsewhere in Indochina, the Viet Minh will increase their terrorist and guerrilla tactics.

13. The French government is increasingly concerned over France's ability to maintain its position in Indochina. There

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is a growing official feeling in France that it cannot simultaneously support presently projected military efforts in both Europe and Asia without greater US aid. The French now estimate that, with present US aid, the maximum 1952 military budget that is politically and economically possible will fall several hundred million dollars short of their projected requirements for NATO and Indochina together. The French, if forced to choose between Europe and Indochina, would view their Indochina commitment as of lesser importance, but the necessity for such a decision is unlikely to arise during the period under review. Moreover, there has been a growing feeling that the distant and costly Indochinese war offers few rewards even if won. This feeling is increasing political pressure for some alleviation of the French burden in Indochina. The various approaches by which France is seeking to achieve such alleviation of the burden are: (a) by insisting that much of the financial burden for the defense of Indochina be shifted to the US; (b) by seeking a US-UK commitment to participate in the defense of Indochina in the event of more active Chinese Communist intervention; or possibly (c) by including the issue of Indochina within the context of any general Far East settlement which might arise out of Korean negotiations. Should these approaches prove unsuccessful, the French would seriously consider withdrawal from Indochina.

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14. Within the period under review, however, we believe that a French military withdrawal from Indochina is unlikely despite the increasingly difficult financial situation which has caused isolated demands in Parliament for a withdrawal. Strong factors still hold the French to their present commitments. These include: (a) the intangible but powerful factor of prestige; (b) the knowledge that withdrawal from Indochina would have repercussions elsewhere in the French Union; (c) the concern over the fate of French nationals and investments in Indochina; and (d) the official feeling that no settlement with the Viet Minh or with Communist China could be achieved that would preserve any French interests in Indochina.

15. Within Indochina, we believe that there will be no improvement during the period of this estimate in the morale or the political strength of the Vietnamese. The efforts of the French and the Bao Dai regime to resist Communist pressure will continue to be viewed apathetically by a people who do not recognize much of a personal stake in the war effort and apparently mistrust French motives more than they recognize any danger from the Communists. This mistrust of French motives would be further heightened in the event that the French shall be impelled to take measures to subdue the growing "third force" movements, which are opposed to both the Viet Minh and the French.

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CHINESE COMMUNIST CAPABILITIES AND PROBABLE COURSES OF ACTION

16. The Communist Bloc continues to view Indochina as a key to its desired goal, that of eventual Communist control over all Southeast Asia. The immediate importance of Indochina to Moscow and Peiping lies in the fact that the existence of a Communist-sponsored Viet Minh compels France to divert much of its financial and military resources to Indochina, prevents the Associated States from gaining generally recognized international status, and hinders the establishment of a stable non-Communist state on China's border. The potential importance of Indochina to Moscow and Peiping is great: the fall of Indochina would be a psychological victory for the Communist Bloc of the first magnitude, would undermine the determination of the governments and peoples of Burma and Thailand to resist Communist aggression, would facilitate further Communist conquests in Southeast Asia, would hinder the "encirclement" of Communist China by non-Communist states, would provide the Communist Bloc with control of additional sources of food and strategic materials, and would deny to the West the strategic position and the resources of Indochina.

17. Transportation facilities from South China into Indochina continue to be improved, and there have been numerous indications of

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Chinese Communist troop buildup and stockpiling along the Indochina border. These developments increase the capabilities of the Chinese Communists either to invade Indochina in force or to give military assistance to the Viet Minh.

18. If the Chinese Communists should decide to intervene directly in Indochina, they have an estimated 300,000 troops available in South China for such an invasion. We believe that of this number they could actually commit and support logistically 150,000 troops independent of operations in Korea. Logistic and transportation difficulties would restrict the operations of these troops to a series of limited offensives, between which time would be needed for replenishment of supplies and repair of transportation facilities. An intensification of the Korean hostilities would probably substantially reduce the flow of supplies for Indochina unless the Soviets undertook to replenish the Chinese Communist stocks. Such Soviet aid would be probable in the event of Chinese Communist commitment of forces in Indochina. It may be assumed that the infantry components of the Chinese Communist troops south of the Yangtze are adequately equipped with normal infantry light weapons and that their training is sufficient to attempt an invasion. An armistice in Korea would increase the number of Chinese Communist

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troops and the logistic support that could be made available for operations in Indochina; transportation deficiencies would still be a limiting factor, however, although the level of logistic support could be raised somewhat by use of the facilities of the Chinese Communist Air Force.

19. These Chinese Communist troops, added to those of the Viet Minh, would probably be able to force the French and the Vietnamese troops to evacuate Tonkin before any effective assistance would be brought to bear. Although the Chinese Communists would probably not commit any jet aircraft so long as hostilities in Korea continue, the CCAF, employing only piston-type aircraft, would probably, with surprise, have the capability to neutralize the French Air Forces in Tonkin. An armistice in Korea would of course vastly increase this capability.

20. The Chinese Communists might risk an invasion of Indochina in any one of a number of circumstances: in order to counter an anticipated blow by the West and/or the Chinese Nationalists; as a diversionary attack in the event of a general Far Eastern or global war; if the Communists believed that the West intended to attack Communist China regardless of the latter's policies in Southeast Asia; or in the event that Communist leadership should decide that

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a potential shift in western policies might create a serious threat to Communist China that could not be countered through present Communist strategy.

21. We believe, however, that the Chinese Communists will not invade Indochina during the period of this estimate. Although the increased Chinese Communist capabilities in South China suggest preparations for an invasion of Indochina, present evidence does not necessarily indicate that such an invasion is imminent. Other considerations, furthermore, militate against a direct intervention by the Chinese Communists:

- a. Present Communist strategy is bringing considerable success in Indochina, may weaken the determination and ability of both the Vietnamese and the French to continue resistance, and may provide the Communists with a potential tool for aggravating differences among the Western Powers.
- b. Recent western moves have probably made world Communist leadership aware that the West, and in particular the US, may expand the war in Asia to the Chinese mainland should Communist China invade Indochina. Any such awareness is probably somewhat offset by Communist recognition of divided opinions

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in the West as to the merits and timing of such retaliation. On balance, however, concern that the war in Asia might be expanded and that drastic retaliatory action might be taken against the mainland of China is probably sufficient to be a major factor dissuading the Chinese Communists from openly intervening in force in Indochina.

- c. Despite the importance of Indochina discussed above, it is unlikely that its present economic and strategic importance to Peiping and Moscow is great enough to dictate a large-scale Chinese Communist invasion with a possible risk of initiating general war.

22. We believe that the Chinese Communists will, short of open intervention, gradually expand the scale and nature of their present assistance to the Viet Minh. Even assuming continuing heavy commitments in Korea, the Chinese Communists will face no forbidding difficulty in increasing the present level of technical and logistic assistance to the Viet Minh. Logistical support will probably consist primarily of such items as light arms and ammunition, vehicles, some field and antiaircraft artillery, and communication and medical equipment.

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23. The Chinese Communists will also continue to commit technical and advisory personnel to the Viet Minh and may introduce Chinese "volunteer" troops. We do not believe, however, that significant numbers of such "volunteers" will be introduced into the Viet Minh during the period of this estimate.

24. Consequently, the probable outlook through mid-1952 in Indochina is one of continued military stalemate. We foresee some small territorial gains by the Viet Minh, but no major victory on either side during the period of this estimate.